In the initial stages, trade was simply a barter system. During this period, local markets developed. Goods were brought to these markets from near-by places for sales. The practice of personally selling also originated at this stage. The simple barter system was, however, no longer found suitable with the changing situation. The difficulties experienced under the barter system induced the people to think about a common medium of exchange. Various kinds of gold, silver etc., were introduced as a medium of exchange. The appearance of money quickened the phase of trade, which is the heart of marketing. Thus, marketing is not a novel business concept of the 20th century but is as old as human history.

Marketing though occupied an important place in all stages of economic life, from simple barter economy to the present day; it was not as complicated as it is today where the manufacturers need to fulfil the customer’s requirements. The ultimate object of all production is consumption. Adam smith, (2001) in this context, rightly remarked that “consumption is the sole end and purpose of all production”. As such, consumers are the targets of many activities performed by business people. The satisfaction of the consumer is the main perhaps the most sensible objective of the business firms. All other objects, though, important are only ancillary. But until recently the importance of consumption was overlooked by the producers, and all other agencies and institutions involved in the marketing process. So long as the sources of supply were limited, it was possible for the producers to concentrate more on the production efficiency. The customers demand
was also unsophisticated. In fact, even in the 19th century, the industrialists paid more attention on the exploitation of the sources of supply of raw materials and threw their product on the market as soon as possible. The consumer came only in the last scene and he has no other alternative other than to accept the goods and services supplied by the producers. Thus, even the producers of the last century cared very little about the consumers. But those days have gone. Production is now carried on in every country on a fabulous scale. Each country is producing more than what the society immediately needs. With the result, markets become national and international. The competition between various units also became more acute. The markets became sellers’ markets. Therefore, the producers began to realize the importance of the consumers. The number of consumers, the quality of service, the area covered, etc, began to decide the nature and size of business units. There was a complete reorientation of the business philosophy. The consumer orientation has become the basic factor of the management science. 

*The businessmen began to realize that their objective of profit making could be possible only through consumer satisfaction.* Without satisfying the consumers no businessman can think of profit or the steady growth of his business unit and even the very existence of the business unit have become dependent on its effectiveness in satisfying the consumer.

Now-a-days, all businessmen are trying their best to ascertain the consumer reaction, their preference, their attitudes and variations in their tastes, etc. They have to adjust their business activities to secure
maximum satisfaction of the consumers. This necessitates the flow of information from the consumers to the producers. In other words, collection of proper information from the consumer is the basic factor in consumer oriented marketing. Only on the basis of the information collected, the producer can adjust his production to suit to the taste, preferences and choice of the consumers. Therefore, there is nothing wrong to say that “the task of marketing starts with the consumer and ends with the consumer”.

2.1 CONSUMER ORIENTATION MARKET

Till the end of the Second World War, the business managers were hesitating to accept the consumer as the supreme power. The competition in the modern period became more acute because more and more entrepreneurs entered into the field of the society. Markets tend to be national and international. All these factors compelled them to see the problem of marketing management in a different light. They began to realize that the success of their organisation depends mainly on how well its products are marketed. Marketing success in turn depends on the ability of the firm to find a customer and to satisfy his wants. According to Philip Kotler, (2001) “Marketing is analysing, organizing, planning and controlling of the firms customer-impinging resources, policies, activities with a view to satisfy the needs and wants of chosen customer groups at a profit.” For this purpose, instead of trying to sell what can be produced, the business firm should produce what is really needed by the consumer and what quantitatively; market surveys are to be made. Production should be matched with the findings
of the market surveys which reveal the consumers wants and taste. Marketing, hence, starts with consumer. All other functions such as product planning, etc., should be integrated with the functions of marketing. All the functions of the business enterprise should revolve around the consumer, the supreme power. This recognition of the consumer as the supreme power leads to the modern concept of marketing. Once it is recognized, there is a total change in the basic philosophy of business.

2.2 CONSUMER DURABLE MARKET

The Consumer durable can be divided into two types: consumer electronics and consumer utilities. Consumer electronics is basically an entertainment system like television, VCRs, audio systems and home theatre systems. Consumer utilities are the household appliance like Refrigerators, washing machines, air conditioners, food processors and vacuum cleaners. In most of the third world countries, consumer durables like Refrigerator and television are most popular. The demand for consumer durable is by and large seasonal. For example, the sales of air conditioners and cooling products are sure to increase in summer months, whereas other entertainment systems sales may increase during a festive season, when there are plenty of discount options available.

The demand for consumer goods has been fuelled by the availability of consumer financing. In a typical home, the household appliances account for about 20% of the energy consumption. Refrigerators and clothes dryers are said to consume the maximum
energy. Every home appliance has two price tags; one is the purchase price could be thought of as a down payment, while the operating cost would be paid every month along with the utility bills. Refrigerators would last an average of 20 years; room air conditioners and dishwashers about 10 years each; a washing machine’s life span is about 14 years. Since the life span of all the durables are more than 5 years minimum the price of the product is expensive. Though the price of the product is high, the demand for the product is also very high. (Henry 2007)

The major items constituting the white goods sector are refrigerators, washing machines and microwave ovens. The size of the domestic Refrigerator market was estimated at 3 million units in financial year 2001-02, of which around 83% is around for by the direct cool (DC) segment and the balance by the frost-free (FF) segment. The size of the domestic washing machine market is estimated at 1.3 million units in financial year 2002, including 0.07 million units of single-tub washers, 0.094 million units of semi-automatic, and 0.29 million units of fully automatic machines. Microwave ovens constitute a nascent market in India, and sold around 0.17 million units in financial year 2002. The delay in the maturing of the market may be attributed to both the lack of awareness of the appliance’s benefits as well as some of its inherent features, that so far made its use incompatible with the Indian culinary culture.
2.3 MARKET SIZE AND GROWTH POTENTIAL FOR CONSUMER DURABLES

The annual market for consumer durables in India (excluding computers and communication products) is currently of the order of Rs. 25,000 cr. This is relatively small compared to the total market for foods and groceries, which is estimated at Rs. 80,000 cr. per year. During recent times, markets growth in consumer durables has been primarily in terms of quantity, and not by the value. The data in table 1 indicates that during 2004-2005, the sale of consumer durables has increased by about 10% in quantitative terms, over that in the previous year. However, the growth by way of value is estimated, and this is primarily due to fall in prices as a result of increased competition. Even the growth in numbers varies widely across product categories. For example the figures in Table 2.1 bring out the fact that the annual increase in the sale of television and Refrigerators is barely 4 to 5%.

<table>
<thead>
<tr>
<th>Item</th>
<th>2003-2004</th>
<th>204-2005</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colour TVs</td>
<td>82.5</td>
<td>92.5</td>
<td>12.1</td>
</tr>
<tr>
<td>Black and white TVs</td>
<td>30.0</td>
<td>25.0</td>
<td>16.7</td>
</tr>
<tr>
<td>Television</td>
<td>112.5</td>
<td>117.5</td>
<td>4.4</td>
</tr>
<tr>
<td>Frost-free Refrigerators</td>
<td>7.3</td>
<td>8.3</td>
<td>13.8</td>
</tr>
<tr>
<td>Direct cool Refrigerators</td>
<td>29.7</td>
<td>30.5</td>
<td>2.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>Refrigerators</td>
<td>37.0</td>
<td>38.9</td>
<td>5.0</td>
</tr>
<tr>
<td>Windows Air conditioners</td>
<td>7.2</td>
<td>8.6</td>
<td>18.8</td>
</tr>
<tr>
<td>Split Air conditioners</td>
<td>2.6</td>
<td>3.7</td>
<td>42.6</td>
</tr>
<tr>
<td>Air conditioners</td>
<td>9.8</td>
<td>12.3</td>
<td>25.6</td>
</tr>
<tr>
<td>Washing Machines</td>
<td>13.6</td>
<td>16.0</td>
<td>18.1</td>
</tr>
<tr>
<td>Microwave Ovens</td>
<td>2.8</td>
<td>3.5</td>
<td>27.3</td>
</tr>
<tr>
<td>VCD/DVD Players</td>
<td>72.0</td>
<td>84.0</td>
<td>16.7</td>
</tr>
<tr>
<td>Grand Total</td>
<td>247.6</td>
<td>272.1</td>
<td>9.9</td>
</tr>
</tbody>
</table>

**Source:** FICCI’s Consumer Durables Survey, October 2005

The slow growth rate, in effect, suggests that the demand for television sets, in particular, may have already approached saturation point. Even the present market growth is driven, to a significant extent, by upgradation and replacement to further increase the pace of growth, because replacement cycles in India are quite long. Further, even the volume of sales achieved has now are often propped up through consumer financing, promotions and discounts.

The penetration of durables and home appliances is as a matter of fact, quite low in India, compared to several other developing countries. For example, while there are ten televisions per 100 households in India; there are 50 in China. This would suggest that the potential for further growth is indeed quite enormous. However, high manufacturing costs and taxes, coupled with comparatively lower purchasing power, limit the growth rates. Consequently, many domestic manufacturers of consumer durables have substantial unutilised capacity.
Another important observation that can be made from the data in Table 2.1 is regarding the relationship between market size and growth rate. Established products with large market size, such as televisions, and direct-cool refrigerators, have very low growth rates. The sale of black and white televisions has in fact declined. On the other hand, the market for premium products with comparatively small market size, such as air conditioners, microwave ovens and frost-free refrigerators, is increasing at a very rapid pace. (FICCI 2005)

2.4 CURRENT MARKET SITUATION FOR CONSUMER DURABLE PRODUCTS

The Market composition too has changed dramatically over the last 15 to 20 years, both in terms of the range and technology of products sold, and in the mix of suppliers and their market shares. One would perhaps still recall the days when crown, Weston, Texla, Upton and keltron were among the best-selling brands of televisions in India. In those days, buying a refrigerator meant a choice among brands such as kelvinator, Godrej, Allwyn and Zenith. Over the recent years, there has been continuous churning and realignment of market shares. Just a few years ago, BPL, Philips, Onida and Videocon were the top four television brands in the Indian Market.

Sale of technologically superior products is picking up at a faster pace. For example, there is a higher growth in the demand for flat TVs and frost-free Refrigerators, and the price difference between reputed brands and unknown brands and between the organised and
unorganised sector manufacturers has also been narrowing. Further, the share of the unorganised sector is now only between 8 to 10%, while it was as high as 30 to 40% just about a decade ago. A survey by the Federation of Indian Chambers of Commerce and Industry (FICC I 2005) has found that most of the consumer durables segments are set to see a double-digit growth in the current fiscal. The colour television segment is expected to grow by 15-20 per cent, the projected growth for the VCD/MP3 player segment is 20 per cent, 25 per cent for DVDs, 5-10 per cent for refrigerators, 20-25 per cent for air-conditioners, 5-10 per cent for washing machines and 25 per cent for microwave ovens.

The survey also highlights the shift towards the organised segment. The share of the unorganised segment has come down sharply to 8-10 per cent from 40-50 per cent, as the price differential between the two segments narrows down. The survey also says that rural India offers a huge growth opportunity for consumer durables manufacturers. While the urban consumer durables market is growing annually at 7-10 per cent, the rural market is zooming ahead with an annual growth of 25 per cent.

In view of the wide variety of choices available, the consumers enjoy a higher bargaining power. Further, the demand for many consumer durables is cyclical and seasonal. Quality of service too has become a basic necessity for survival rather than a differentiator. Today it is difficult to sell a brand based on service alone but quality, efficiency and competency of service is the ‘want’ of the day. Prompt
and efficient service systems based on call centres and the Internet has become the norm.

At present, about 60% of the domestic demand for durable is met by local manufacturing while the rest is achieved through imports. Most microwave ovens, DVD players and split Ac’s sold in India are imported. Regional free trade agreements with Thailand and Singapore may limit future manufacturing investments in India. At the same time, LG, Samsung, Philips and Videocon are planning to use India as the sourcing hub for their worldwide requirements of specific products. Videocon has acquired the global manufacturing operations of colour picture tubes from Thomson, including plants in Mexico, Poland and China. However, on the whole, it would appear that the Indian consumer would be buying more of imported durables in the years to come.

2.5 INDIAN CONSUMPTION PATTERN FOR DURABLES

The Indian Population, having crossed the billion marks, has been growing steadily at a rate of 2% per annum. Income levels of the Indian consumers have steadily increased as a result of increased GDP growth rates. With their rising income levels, the consumers in India have become the centre of attraction for MNC’s, who perceive India as a potential marketplace for their goods. Till date, many studies were undertaken to map the Indian consumer data systematically. The data so collected offers an opportunity to analyse it, so that a good account of the Indian consumer can be drawn. The spending pattern of Indian
consumers, as observed, for a period of 15 years between 1980 and 1995, which gives a glimpse of their attitude towards shopping and their buying preferences. The money earmarked for various commodities reveals the true Indian consumer. The budget of Indian consumer, except the expenditure on transport, has more or less been the same between 1980 and 1995. (EA Selvanthan and Saroja Selvanathan - 2003).

2.6 INDIAN CONSUMER ADAPTATION PROCESS

The other dimension is ‘Roger’s Innovation Adaptations Model’, i.e., Attention, Interest, Evaluation, Trial and Adaptation (AIETA) model, to know the time taken for a product to be accepted in the market after its introduction. Today, in India the time between the introduction of a product in the market and its acceptance has reduced considerably because of groups like the Young Married and Hassle Free Group (YMHFG) Quasi Career-Job Oriented Group (QCJOG). There are 5 categories of consumers that Rogers introduced in his model. They are:

- Innovators (2 ½ %) this is the category of consumers that first buys any new product in the market whether it be microwaves, DVD Player, electric cars or herbal beauty products etc., The percentage of people in this category, however, is likely to increase due to the emerging groups in Indian markets.

- Early adoptors (16%) This category of consumers buys new products reasonably early, but unlike the Innovators they are
more discretionary in their purchases. This category too can see an increase to 25%.

- Early Majority (33½%) Consumer in the category buys new products only after carefully weighing their options. This category of people is likely to see a decrease in the Indian market from 33½ % to 22½ %.

- Late Majority (33½) this category of people buys a new product only after a majority of the people have already bought. This category too is likely to see decrease to 22½%.

- Laggards (14½%) Laggards are those people who buy a new product when it is not new anymore. This category will see a decrease to 10% in the Indian market.

2.7 THE INDIAN CONSUMER MARKET

This is shaped like a triangle, with a very large lower class. This is unlike most developed countries where the consumer market is shaped like a diamond. The shape of the Indian consumer market throws up some big challenges. The lower classes are large in number. The middle class is small and upper classes are very small. But what is the middle class? Of the 180 million homes in India over 60% have T.V. Almost 60% of them have cable connection. Does ownership of a refrigerator quality for an entry into the middle class? Now almost 30% would qualify. But if you were to define middle class as ownership of a car, the number would drop to less than 5%! .It should be noted, at an
absolute level, that the Indian upper-class numbers compare very favourably with those of several European countries. *(Henry 2007)*

The structure of the Indian consumer numbers necessitates a more careful look at markets. The numbers at the top-end are small. At 10% of 180 million homes, the number is at best 18 million. This too is a gross approximation since rural homes account for over 120 million. If we look at urban homes alone, the number diminishes to about 10% of 50 million homes. A large part of the upper-end consumer durables, car, homes Pcs, DVD players as well as special premium cosmetics, colognes, readymade garments and five star hotel services are all aimed at this market.

Mass communication goods need to go beyond these numbers. Large FMCG marketers as well as several large consumer durable manufacturers have to accept a segmented strategy, to offer different brands to different segments of consumers. Hindustan Lever has wheel washing powder aimed at lower classes and surf Excel aimed at the upper middle / upper class consumer. A brand like BPL markets TVs to different segments, including small black & white TV and a second-hand colour TV. The same is true with products like cycles and two-wheelers. How does a consumer choose between an affordable new TV and a larger second-hand colour TV, if both are priced at around the same amount?

The boom in brown goods (electronic-video-audio) and white goods (refrigerators, washing machines) in the bigger towns in the
1990s has created a huge supply of decent quality of second hand products. In fact, some brands tend to command a better price, just because their resale value is seen to be good. What makes them the preferred choice of consumers?

Large companies need to track consumer perceptions and behaviour across the various segments. In a given period the trends may not be similar across all the classes. If the company has brands straddling various segments like BPL or specific brands aimed at specific segments, it is well worth their while to understand differences in consumers across these segments.

2.8 MEANING AND DEFINITION OF CONSUMER AND CUSTOMER

Leon G. Schiffman, Leslie Lazar Kanuk 1997: The term consumer is often used to describe two different kinds of consuming entities: The Personal consumer and Organisational consumer. The Personal consumer buys goods and services for his or her own use (e.g., shampoo), for the use of the household (VCR) or as a gift for a friend (a book) In each of these contexts, the goods are bought for final use by individuals, who are referred to as “end user” or “ultimate consumers”. The organizational consumer encompasses for-profit and not-for-profit business, government agencies and Institutions all of which must buy products, equipment and services in order to run their organisations.
Matin Khan 2004: A *Consumer* is anyone who engages himself in physical activities, of evaluating, acquiring, using or disposing of goods and services.

A customer is one who actually purchases a product or service from a particular, organisation or a shop. A customer is always defined in terms of a specific product or company.

However, the term consumer is a border term which emphasizes not only the actual buyer or customer, but also its users, (i.e.) consumers.

Suja R. Nair 2004: More than a century ago, the father of our Nation, Mahatma Gandhi, had made a visionary and deep meaningful statement at Johannesburg, South Africa in 1890. A *customer* is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption to our work. He is the purpose of it and not an outsider on our premises. He is a part of it. We are doing him a favour by serving him. He is doing us a favour by giving us the opportunity to do so.

S. Sumathi & P. Saravanavel (2005) in their writings expressed who is a customer? A “*Customer*” is one who actually purchases a Product or service from a particular organisation or shop. A customer is always defined in term of a specific product or company. However, the term *consumer* is a far wider term encompassing not only the actual buyer or customer but also all its users, (i.e.) consumers.
2.9 FACTORS INFLUENCING AND AFFECTING THE CONSUMERS DECISION MAKING PROCESS

The consumers behaviour is influenced and affected by several factors that are ‘internal and external’ in nature. Culture is one of the biggest of them.

Culture

Culture is the most fundamental determinant of a person’s wants and behaviour. The growing child acquires a set of values, perceptions, preferences and behaviour through his/her family and other key institutions. For example: In India, even today people wash their clothes by hand. Even though the technology have rapidly developed in durable industry they have negative opinion about washing machine. This is because till today the low income group believes that washing machine is meant only for upper and middle class people. Moreover they consider washing machine as an luxury item. Washing clothes by hand has become a tradition.

Sub-Culture

Each culture consists of smaller sub-cultures that provide more specific identification and socialization for its members. Sub-culture includes nationalities, religions, racial groups and geographical regions. Many sub-cultures make up important market segment and marketers often design product, and the marketing program is tailored to their needs. For Example: In Chennai most of the women are working
therefore Refrigerator, washing machine and Microwave oven have become necessity for every home.

Social Class

Virtually, all-human societies exhibit social stratification. Most frequently, stratification that takes the form of social classes are relatively homogeneous and enduring divisions in a society, which are hierarchically ordered, and whose members share similar, values, interest and behaviour. Social classes distinguish product and brand preferences this is because the brand speaks about their value in the society. Also when any individual has most of the durable products at home they gain strength in the society. Say for example: If anyone in the society has leading brand of Refrigerator, washing machine, DVD, Microwave oven, Air conditioner etc; at home they are ranked as high class people in the society. Brand image influences most of the customer to buy the products for their home.

Social Factor

A Consumer’s behaviour is also influenced by social factors such as reference groups, family and social roles and status.

Reference groups

Many groups influence a person’s behaviour. A person’s reference group consists of the entire groups, which has a direct or indirect influences on a person are called membership groups. These are
groups to which the person belongs and interact. Some are primary groups such as family, friends, neighbours and co-workers with which the person interacts fairly continuously. Primary groups tend to be informal. A person also belongs to secondary groups, such as religious the professional and trade union group tend to be more formal and require less continuous interaction. As the women interact more with these reference group they are tend to buy the durable products like Refrigerator, washing machine, DVD Player etc., whether they are really in need or not.

Family Roles and status

Family members constitute the most influential primary reference group. We can distinguish between two families in the buyer’s life. The family of orientation consists of one’s parents. From parents, a person acquires an orientation toward religion, politics and economics and sense of personal ambition, self-worth and love.

A person participates in many groups throughout the life, family, clubs and organizations. The person’s position in each group can be defined in terms of role and status. People choose products that communicate their role and status in a society.

Personal Factors

A buyer’s decision is also influenced by personal characteristics, viz. the buyer’s age, life cycle stage, occupation, economic circumstances, life style and personality and self-concept.
**Age and life cycle stage**

People buy different goods and services during their lifetime. They eat baby food in the early years, most foods in the growing and mature years, and special diets in the later years. Women at home buying the consumer durable products are also age related. Markets often choose life cycle groups as their target market.

**Occupation**

A person’s occupation also influences his or her own consumption pattern. A blue-collar worker will buy work clothes, work shoes, lunch boxes and bowling recreation. The **Company president will buy expensive Consumer Durable products**, air travel, country club membership and a large sailboat. Marketers try to identify the occupational groups that have an average interest in their products and services. A company can then specialise their products for certain occupational groups.

**Economic circumstances**

Product choice is greatly affected by one’s economic circumstance. People’s economic circumstances consist of their incomes, savings, assets, debts, borrowing power and attitude towards spending versus savings. Though certain durable products are necessary, especially for working women, they don’t purchase the product immediately whereas they roughly calculate the expenses
before going for actual purchase. Income of family is the dominant factor to buy the product.

**Lifestyle**

People coming from the same subculture, social class and occupation may lead quite different life style. A person’s lifestyle is the person’s pattern of living in the world, which is expressed in the person’s activities, interests and opinions. Lifestyle portrays the ‘whole person’ interacting with his or her environment. **Marketers will search for relationships between their products and lifestyle groups.**

**Personality and self-concepts**

Each person has a distinct personality that will influence his or her buying behaviours. By personality, we mean the person’s distinguishing psychological characteristics that lead to a relatively consistent and enduring response to his or her environment. Personality is usually described in terms of such traits as self-confidence, dominance, autonomy, difference sociability defensiveness and adaptability. Personality types can be classified and that the strong correlation exists between certain personality types and product or brand choices.
Psychological Factors

A person’s buying choices are further influenced by four major psychological factors. They are motivation, perception, learning, beliefs and attitudes.

Motivation

A person has many needs at any given time. Some needs are biogenesis. They arise from physiological states of tension such as hunger, thirst and discomfort. Other needs are psychogenesis. They arise from psychological state of tension such as the need for recognition, esteem or belonging. Most psychogenesis needs are not intense enough to motivate the person to act them immediately. A need becomes a motive when it is aroused to a sufficient level of intensity. A motive is a need that is sufficiently pressing to drive the person to act. Satisfying the need reduces the felt tension. Thus the Refrigerator, Washing machine and Microwave oven captured the market among women customers.

Perception

A motivated person is ready to act. How the motivated person actually acts is influenced by his or her perception of the situation. Perception is defined as ‘the process by which an individual selects, organizes and interprets information inputs to create a meaningful picture of the world. Perception depends not only on the physical
stimuli but also on the stimuli’s to the surrounding field and on conditions within the individual.

**Learning and Memory**

Everyday we are exposed to wide range of information, but retain only a small portion of it. We tend to remember the information that we are interested in or, that is important to us. In family, different members of the family are interested in different types of information which they individually retain. Our motives, attitudes, personality filters the information. Keeping only relevant information in our minds and keeping the others out. This is known as selective retention. We retain in our memory only selective information that is of interest to us.

**Attitudes**

Attitudes are responsible for our responses and are not inborn but are learnt from people around us. Our attitudes influence our purchase decisions for consumer durable products and consumer behaviour. The people’s levels of satisfaction after purchase are:

- A person having a carefree attitude will buy an object without much involvement- **No expectation and their level of satisfaction would be always be ok, satisfied.**

- People who want to play safe and avoid risk taking, will go for a safe investment- **High level of expectation and satisfaction**
People who want convenience and are short of domestic help will have positive attitudes—less expectation and moderate satisfaction.

Information Processing

All consumers analyse and process the information they receive. These are activities that a consumer engages in, while gathering, assimilating and evaluating information, consumers assimilate and evaluate selective information and this reflects on their motives, attitudes and personality and self-concept. The same information can be evaluated in a different manner by different individuals. The most common example is a glass half filled with the liquid. It can be interpreted as “half empty” or half full. The first is a pessimistic view and the other is an optimistic view of processing the information.

2.10 BEHAVIOUR OF WOMEN CONSUMER TOWARDS CONSUMER DURABLE PRODUCTS

The consumer behaviour refers to the act of individuals directly involved in obtaining and using of goods and services and includes the decision processes that proceed to determine these acts and the processes that follow and influence experiences obtaining from such acts. Traditional approaches to consumer Behaviour have focused on the abilities of products to satisfy rational needs (utilization motives), but hedonic motives (such as the needs for exploration or fun) also play a role in many purchase decisions. The consumer behaviour is not only
a study of what people consumer but also ‘where”, how often’, and ‘under what condition’ the same is consumed.

In view of complex nature of the consumer behaviour many social scientists of different disciplines have attempted to formulate theories drawn from their disciplines based on their fields. They viewed the consumer’s behaviour and explained from different angles. Each observer seemed to view the situation from his own perspective and stating a cause for the behaviour. Decision process approaches in understanding the consumer’s activity in course of action are taken by the consumer. To understand that stage, it is necessary to understand what precedes and what follows that state-Dr. R. Sampth Kumar 2002

The consumer behaviour and the resulting purchase decision are strongly influenced by cultural, social, personal and psychological characteristics. An understanding of the influence of these factors is essential for marketers in order to develop suitable marketing mixes to appeal to the target customer. Factors include consumer’s culture, sub-culture and social class. These factors are often inherent in our values and decision processes.

Factors include groups (reference groups, aspirations groups and member groups) family, roles and status. This explains the outside influences of others on our purchase decisions either directly or indirectly. Factors include such variables as age and lifecycle stages, occupation, economic circumstances, life-style (activities, interests, opinions and demographics), personality and self concept. These may
explain why the consumer’s preferences often change as the situation changes.

The aim of marketing is to meet and satisfy target customers’ needs and wants. The field of consumer behavior studies how individuals, groups, and organization select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and desires. Understanding consumer behavior and “knowing customers” are never simple. Customers may state their needs and wants but act otherwise. They may not be in touch with their deeper motivations. They may respond to influences that change their mind in the last minute. Nevertheless, marketers must study their target customers’ wants, perceptions, preferences, and shopping and buying behavior.

A sound understanding of consumer behavior is essential to the long-run success of any marketing program. This focus is on identifying and satisfying the wants and needs of consumers. The intention of the firm is not seen as merely providing goods and services. Instead, want and needs satisfaction is viewed as the purpose, and providing products and services is the means to achieve that end.

Understanding the consumer’s needs, wants and buying behavior is at the heart of delivering successful product to the market place.

For Leon G. Schiffman, Leslie Lazar Kanuk 2000: The term Consumer Behaviour refers to “the behaviour that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs and the study of
how individuals make decisions to spend their available resources-like

time, money, effort-on consumption related items”.

According to Ostrow & Smith’s Dictionary of Marketing (1988)
the term Consumer Behaviour refers to “the actions of consumers in the
marketplace and the underlying motives for those actions. Marketers
expect that by understanding what causes consumers to buy particular
goods and services they will be able to determine which products are
needed in the market place, which are absolute, and how best to present
the goods to the consumer.”

In the words of C.G. Walter and G.W. Paul 1970: It is “the

process whereby individuals decide whether, what, when, where, how
and from whom to purchase goods and services”.

2.11 INDIA CONSUMER BEHAVIOUR

This is also greatly dictated by the socio-economic class (SEC)
that consumers belong to. SEC classes have been defined using the
education and occupation of the chief wage- earner of the household. A
graduate with an executive position in a large organisation would be
classified as SEC .The higher SECs look at products and services from
one context, while the lower SECs see them differently. Given the fact
that Indians, by their very nature, are high saving-oriented, almost all
SECs look for value in what they buy. Higher SECs, are more educated,
more well-to do and look at brands as symbols that go beyond value.
The lower SECs see brands as symbols of quality. They are willing to
pay a marginal premium for these marks of quality, but not very much
explains the reason why large FMCG brands have to keep an eye on the price-value equation constantly if they have to stay relevant to the lower SEC consumers. (M.G.Parmeswaran, 2003)

2.12 A MODEL OF CONSUMER DECISION MAKING PROCESS

Over the years there have been many attempts to create a model of consumer decision-making and the following is a simple framework that highlights the key stages that most consumers go through on the way to their final decision. These stages are:

![Diagram of consumer decision-making process]

Source: Principles of Marketing, Philip Kotler, Gary Armstrong 2004, Pearson Education Pg.no198
The buying process starts with need Recognition- the buyer recognizes a problem or need. The need can be triggered by internal stimuli when one of the person’s normal needs- hunger, thirst etc., rises to a level high enough to become a drive. A need can also be triggered by external stimuli. Anna Flores might have felt the need for a new hobby when her busy season at work slowed down, and she thought of cameras after talking to a friend about photography or seeing a camera ad. At this stage, the marketer should research consumers to find out what kind of needs or problems arise, what brought them about, and how they led the consumer to this particular product.

**Information Search**

An interested consumer may or may not search for more information. If the consumer’s drive is strong and a satisfying product is near at hand, the consumer is likely to buy it then. If not, the consumer may store the need in memory or undertake an information search related to the need. The consumer can obtain information from any of several sources. These include personal sources (family, friends, neighbours, acquaintances), commercial sources (advertising, salespersons, dealers packaging, displays), public sources (mass media, consumer-rating organisations) and experiential sources (handling, examining, using the product).

The relative influence of these information sources varies with the product and the buyer. Generally, the consumer receives the most information about a product from the commercial sources- those
controlled by the marketer. The most effective sources, however, tend to be personal. Commercial sources normally inform the buyer, but personal sources legitimize or evaluate products for the buyer.

People often ask others—friends, relatives, and acquaintances, professionals—for recommendations concerning a product or service. Thus, companies have a strong interest in building such word-of-mouth sources. These sources have two chief advantages. First they are convincing: word having loyal, satisfied customers that brag about doing business with you is the dream of every business owner. Not only are satisfied customers repeat buyers, but they are also walking, talking billboards for your business. Second, the costs are low.

Keeping in touch with satisfied customers and turning them into word-of-mouth advocates costs the business relatively little. As more information is obtained, the consumer’s awareness and knowledge of the available brands and features increases.

The information will help the consumer to drop certain brands for consideration. A company designs its marketing mix to make prospects aware of and knowledgeable about its brand. It should carefully identify consumers’ sources of information and the importance of each source.

**Evaluation of Alternatives**

A consumer evaluates alternatives by comparing them across a select set of attributes or specifications, which are the result of the consumer’s knowledge, belief and attitudes. Knowledge is what the
consumer has learnt over a period of time, through mass-media and face to face interaction. Knowledge is also a factor that is dependent on the consumer’s education, demographic characteristics, etc. Knowledge shapes the consumer’s beliefs. Beliefs constitute emotionally neutral knowledge that the consumer holds about some aspect or object. The consumer might believe that fully automatic washing machines have better washing quality or the consumer might believe that brushing teeth with good toothpaste is important for dental hygiene.

The sister concept to ‘Believe is ‘Attitude”. Attitude, by definition, is not neutral. It is intrinsically dynamic. Stirred-up and changing with time. The consumer’s attitude towards fully automatic washing may be one of extreme positive admiration. While the belief was neutral, the attitude is positive or negative.

Finally, Intention is the probability that the consumer will act on the basis of the belief and the attitude that he holds. What are the chances that the consumer will finally choose a fully automatic washing machine? What are the chances that he or she will try the new toothpaste? Consumers evaluate the alternative facing them through the filters of knowledge, belief and attitudes. A large part of marketing research is focused on understanding these processes better. What are the consumers’ beliefs about washing machine? What are their attitudes towards fully automatic washing machine and the brands in particular?

On the basis of the information thrown up by consumer research, marketers tailor programmes to change attitudes. These programmes
may involve product re-design, packaging, merchandising, retailing and advertising.

**Purchase Decision**

The consumer is ready to purchase the product after the evaluation of alternatives. Generally, the consumer purchase decision will be to buy the most preferred brand, but two factors can come between the purchase intention and the purchase decision. The first factor is the attitude of the others. The second factor is the unexpected income, expected price, and expected product benefits. However, the unexpected events may change the purchase intention. Thus preferences and purchase intentions do not always result in actual purchase choice. But the consumers, after making the evaluation based on their intention of purchase and preference they make their real purchase.

**Post purchase Behaviour**

After purchasing the product, the consumer will be either satisfied or dissatisfied and will engage in post purchase behaviour of interest to the marketer. What determines whether the buyer is satisfied or dissatisfied with a purchase? The answer lies in the relationship between the consumer’s expectations and the product’s perceived performance. If the product falls short of expectations, the consumer is disappointed; if it meets expectations, the consumer is satisfied: if it exceeds expectations, the consumer is delighted.
2.13 THE TWO MAIN APPROACHES TO CONSUMER DECISION-MAKING

From the understanding of general decision-making processes, it is important to understand the two main approaches to consumer decision-making.

**High – involvement Decision-making**

If an individual is highly involved with the initial purchase of a product, extended problem solving is the appropriate decision sequence, as information is processed in a rational, logical order. Individuals who are highly involved in a purchase are thought to move through the process. When the high involvement decision-making is present, the individuals perceive a high level of risk and are concerned about the intended purchase.

The essential element in this sequence is that a great deal of information is sought initially and an attitude is developed before a commitment or intention to trial is determined. Information search is an important part if the high involvement is decision-making. Evaluation of the information and of the alternatives that have been derived from the information search needs to be undertaken. By comparing and implicitly scoring the different attributes of each alternative, a belief about the overall competitiveness of each alternative can be established. In there approaches, the individuals will not reject products because an
attribute scores low; rather, a weakness is offset or compensated for by the strength and high scores accredited to other attributes.

The trial behaviour will follow if the perceived quality of the product is satisfactory and sufficient triggers, from internal searches, stimulate experimentation. Likewise, long run behaviour, the goal of all marketing activities will be determined if the guarantees and product quality combine to meet the expectations of the individual, generated by the information search.

Source: Marketing communications, contexts, contents and strategies, 2nd edition by chrisfill Pg.no.103

Low-involvement decision-making

If an individual has a little involvement with an initial purchase of a product, the limited decision making process is the appropriate
decision process. Information is processed in a passive and involuntary way because of the two personal relevance and perceived risk associated with the purchase. Individuals who have a low involvement with a purchase decision choose not to search for information but are thought to move through the process. Communication can assist the development of awareness in the low-involvement decision-making process. However, as individuals assume a passive problem-solving role, messages need to be shorter than in the high involvement process and should contain less information.

Learning develops through exposure to repeated messages, but attitudes do not develop at this part of process. Where low involvement is present, each individual relies upon internal, rather than the external search mechanisms, often prompted by the point-of purchase displays. Price can be a very important factor by which individuals can determine between low-involvement and the purchase decisions.
2.14 WOMEN ROLE IN THE FAMILY DECISION

Consumers are the end users of any product. Day-by Day the competition is increasing rapidly and Parallel are the choices of the customers for any product are also having the way for high competition. A woman normally spends more money on purchasing the consumer durable products. Consumer Durables can be divided into two types: consumer electronics and consumer utilities. Consumer electronics is basically entertainment systems like television, VCRs, audio systems and home theatre systems. Consumer utilities are the other house hold appliances like refrigerators, washing machines, air conditioners, food processors, and vacuum cleaners. Refrigerator and television is the most
popular consumer durable. The demand for consumer durables is by and large seasonal. An investigation of decision-making in families is important to identify the members most vibrant in making a purchase. While for some product purchases husband may be most influential, for others wife or other family members may decide about all or most dimensions of purchase. Participation of wives in family decisions, besides other factors, is essentially a function of attitude of the family towards role of women in the society. On the basis of division of power, a family may be matriarchal, patriarchal, or egalitarian. Indian society has traditionally been patriarchal, but societal and economic changes are making the power structure in families more egalitarian-where husbands and wives participate almost equally in the decision making process—Bott (1957); Conklin (1973).

The durable products are always considered to be heavy investment as well as very comfortable and useful one particularly for women. A woman prefers the product that coincides with quality, price and usefulness. Discounts are always welcome by the customers. In typical home, house hold appliances account for about 20% of the energy consumption, which are the main attraction of the women towards the consumer durable products. The women feel the demand for the product greatly because of the preference of durable products.

The Marketing efforts face an uphill climb when physical attribute of a product doesn’t fit the preferences of consumers better than competing brands do. Certainly the consumer purchases a ‘bundle of satisfaction’ that includes a variety of other considerations, such as
conveniences of purchase, design of the product, style of advertising etc., Even a well designed defect-free products can fail if they don’t fit consumers perceptions which in turn creates dissatisfaction over their purchase. ‘A customer is not dependent on us… we are dependent on him’- (Kotler 1998) statement is true in the case of women consumers because women consumers normally compare the actual with the expected and if there is any deviation they will have dissatisfaction over their purchase as well as they will refuse to purchase any product of the same brand in the future period of time. Therefore women consumers are not dependent but they are independent. They play different roles like Advicer, payer, buyer, user, final decision maker and sometimes they take dual roles in purchasing the product. In the past, investment in consumer durables was the prerogative of the upper income group in India. The Indian middle class, the great discovery of the eighties, along with the market provided by the affluent class offers handsome profits to the businessmen, but now-a-days every class of the people are interested to purchase the consumer durable product like Refrigerator, Washing machine, Micro wave oven etc., because women at home either working women or home maker they take their own decision to purchase the consumer durable products, this is because it has ‘product of necessity’- (Business world 2000) .

2.15 THE MODERN DOCTRINE ON CUSTOMER SATISFACTION

The modern doctrines of customer satisfaction & customer loyalty have a seductive logic. Simply, satisfy your customer and they
will love you. The more you satisfy them, the more profit they will give you. The more they love you, the better you must treat them. Loyal customers cost less to service than disposal ones, according to Reicheld, Consulting director at Bain & co and author of a bestselling book-. Robert Shav 2000. Knowledge of consumers is critical for developing successful strategies. It is after all, the consumers who make up markets. Understanding how and why consumers choose among the plethora of products or services on offer encompasses a wide variety of factors.

Satisfaction is based on ‘Expectations’ i.e., Performance measures whether the expected outcomes have been achieved. Performance can either be objective- based on the actual performance, which is fairly constant across consumers or subjective, based on the individual feelings, which can vary across consumers. The objective performance of a car describes how well it runs, how economical its gas mileage is, or how often it needs repair, whereas subjective performance might include an assessment of how stylish it is or “how good it makes me feel.” Research suggests that disconfirmation is based more often on subjective than objective performance. ‘Better than expected performance’ leads to a positive disconfirmation and to satisfaction. If performance is as good as expected, a simple confirmation has occurred, and this condition will also lead to satisfaction. In contrast, if performance is lower than expected, the result is negative disconfirmation and dissatisfaction. Customers’ evaluation of services is also susceptible to disconfirmation. (P. Kumar 2001)
Understanding the buyers’ behaviour is essential for developing consumer relationships. In trying to comprehend why people buy? What they buy, marketers have to make judgements about the importance that they ascribe to consumers expressed belief about certain products and services. It is an accepted fact that consumers buy certain brands for valid non-functional reasons, which have to do with emotional values or associated services and benefits. It is the job of the marketer to find the exact reason as why people buy only a particular brand of goods. (Laura Lora 1992). In the present Indian context, the customer post purchase level of satisfaction is still a matter of strategy. But it is a matter of survival for many organisations in the western countries. As the behaviour of customers keep changing with the changing environment, customer satisfaction after purchase becomes a dynamic issue. (Frank 2000) Particularly in the recent years, the customers post purchase level of satisfaction or dissatisfaction has begun to emerge as a major topic in the field of consumer research, as this approach has major implications for social & public policy issues & policy makers, marketers & consumerists- (Keith 1977)

Customer satisfaction is important not only for the small & growing organisations but even major corporations cannot escape from the customer scrutiny. This is evident from the following case study, literally & figuratively 31.1.1984 was the longest day for Sony, Japan. Its stockholders meeting, which lasted 13 hours & 30 minutes was a record time for Japan companies. That year Sony & its allies lost rather decisively to Matushita & its associates in the VCR battle. Beta, whose
market share was 81% in 1977 dropped to 25% in 1983 with remaining market captured by VHS. This was criticised by major dealers as ‘they don’t tell us anything about a new product till a day before its introduction’, & further they added, ‘they are arrogant; thinking that their technology is so superior it can take care of everything. They do not realise the needs, meeting their latent demands & identifiable opportunities. Sony had forgotten to survey the field & remember its customer’s requirements and their expectation about the product. But after the introduction through the customers post purchase survey they were surprised to see the level of satisfaction of the customers purchase. Therefore the study of customers post purchase level of satisfaction is essential. – (David J. Lu. Inside 1987)

Particularly the demand for Refrigerator, Washing machine, Microwave oven and DVD Player are seems to very high. With a great deal of expectation, consumers are buying the products but it is always being a question whether all the customers are satisfied with their purchase or not. If satisfied what makes those to be satisfied, if not what make them to be unhappy. What are the factors that are influencing them to purchase the product? Since women are particular about the product, their roles at home need to be considered. This research will be more useful to find the answer for the entire above question. These data gives a guide lines for the manufacturers to plan for the technological advancement, helps to identify the attitude of complaining behaviour, in the event of dissatisfaction. It serves as a source of information for the level of brand loyalty & product consistency. Customer satisfaction can be basically a complicated mix ‘Hardware’ (Technology, product, price,
quality etc.,) and ‘Software’ (attitude, responsiveness, deliverance, communication etc.,) on the one hand it is a curious mix of facts, & on the other hand it brings the curious perception of the customer. Customer satisfaction thus means not only giving the customer a good product & services but also ensuring that the customer feels that he has genuinely got.

2.16 STRATEGIES FRAMED TO FORECAST THE DEMAND FOR CONSUMER DURABLE GOODS

Framed some strategies in forecasting the demand for consumer durable goods i.e.

- The consumer has to make a choice between: (a) using the goods longer by repairing it, if necessary, or (b) disposing it and replacing it with a new one. For example, a person may replace his semi-automatic washing machine by selling it or just exchanging it for a fully automatic after paying the difference in prices. The choice may depend upon non-economic factors like social status, prestige, etc., or on economic factors like income and obsolescence. In periods of shortage, there is no alternative but to continue using old product.

- These goods require special facilities for their use, e.g., electricity for refrigerators, washing machine and TV. The existence and growth of such facilities is an important variable for determining their demand.

- To the extent that the consumer durable is used by “household” rather than an individual basis, the total household figures are
more important than the total population figures. The few consumer durables that are used individually could be expected to depend more on population than on household. Disintegration of joint Hindu family led to an increase in the number of households (The number of households in India was 13.43 crores in 1988)

- As consumer durables are used by more than one person, the decision to purchase may be influenced by the family characteristics, such as the size of families and the age distribution of adults and children as well as price, income and other consideration.

- The total demand consists of: a) a new-owner demand, and (b) replacement demand. The replacement demand tends to grow with the growth in the total stock with the consumers. Once a person gets used to a thing, he is unlikely to give it up at some future date. This makes replacement demand regular and predictable. For certain well established products, life expectancy tables have been prepared in advanced countries in order to estimate the average replacement rates. When purchasing power increases, the scrap page rate tends to be high and vice versa. Again when demand exceeds production, scrap page rate is lower.

But as production catches up, the scrap page tends to increase. The demand is symbolically stated as \( d = N + R \), where \( N \) is new-owner Demand and \( R \) is the Replacement Demand. Each of these independent variables may be forecast separately i.e., the purchasing power, the
number of families, and some other factors depending on the product concerned.